

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF MIKE)	CASE NO. 8799-K
LITTLE GAS COMPANY, INC.)	

O R D E R

On September 27, 1983, the Commission issued its Order in Case No. 8799 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On February 19, 1986, Mike Little Gas Company, Inc., ("Mike Little") notified the Commission that its wholesale cost of gas would be decreased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective February 1, 1986, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Mike Little's notice of February 19, 1986, set out certain revisions in rates which Mike Little proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$14,774 or 23.69 cents per Mcf.

(2) Mike Little's wholesale cost of gas was decreased by Kentucky West effective February 1, 1986.

(3) Mike Little should report to the Commission any excess revenues collected from February 1, 1986, to the date the proposed rates are implemented, along with a plan to refund any excess revenues to its customers. If no excess revenues are collected, that should be reported also.

(4) Mike Little's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8799 dated September 27, 1983, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after February 1, 1986.

(5) Mike Little should submit copies of each gas purchase contract and all other agreements, options or similar such documents, and all amendments and modifications thereof related to the procurement of gas supply. Any changes in the documents, including price escalations or any new agreements entered into after the initial submission, should be submitted at the time they are entered into. Where gas is purchased from utility-owned or controlled sources, or the contract contains a price escalation clause, those facts should be noted and Mike Little should explain and justify them in writing.

IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after February 1, 1986.

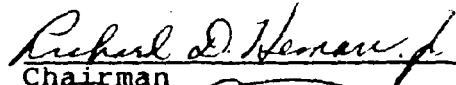
(2) Within 30 days of the date of this Order Mike Little shall report to the Commission any excess revenues collected from February 1, 1986, to the date the proposed rates are implemented, along with a plan to refund any excess collections. If no excess revenues are collected, that shall also be reported.

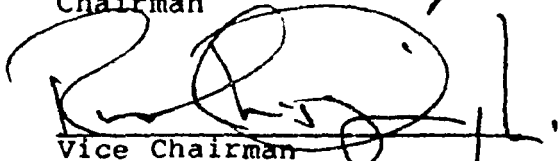
(3) Within 30 days of the date of this Order Mike Little shall file with this Commission its revised tariffs setting out the rates authorized herein.

(4) Within 20 days of the date of this Order Mike Little shall supply the contract information requested herein and comply with all provisions of that request.

Done at Frankfort, Kentucky, this 3rd day of March, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 8799-K DATED 3/03/86

The following rates and charges are prescribed for the customers served by Mike Little Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

First 1 Mcf - Minimum Bill	\$5.20 Per Mcf
All Over 1 Mcf	\$4.9913 Per Mcf

The base rate for the future application of the purchased gas adjustment clause of Mike Little Gas Company, Inc., shall be:

Commodity

Kentucky West Virginia Gas Company	\$2.7266 per Dth
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*Including \$0.0125 Gas Research Institute Funding Charge